



# PJM Summer 2006 Outlook

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System Operations



## **PJM Control Area Statistics**

Population - 51 million

Generating sources - 1,082, with diverse fuel types

Generating capacity – 164,594 megawatts

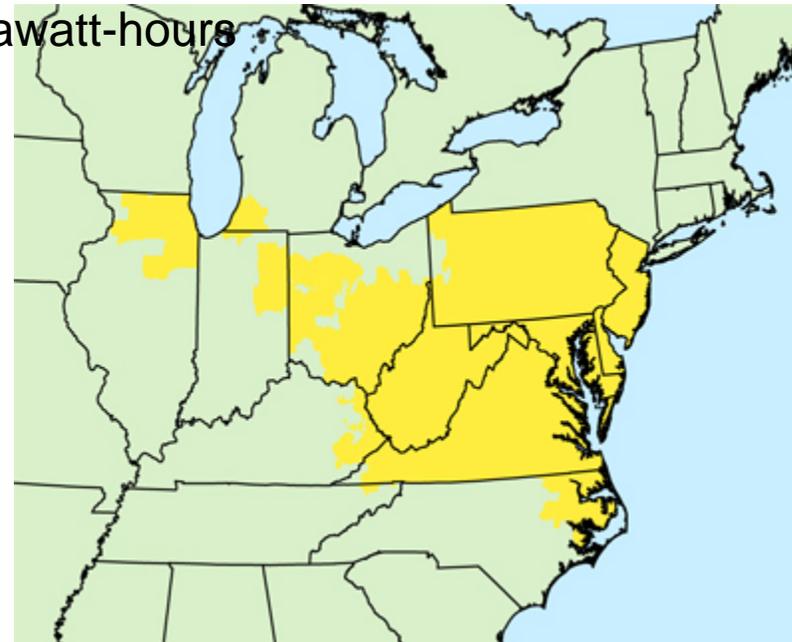
Peak demand - 133,761 megawatts

Annual energy delivery - 700 million megawatt-hours

Transmission lines - 56,070 miles

Members/customers - more than 390

Cumulative billing - \$28 billion since 1997





# PJM Load and Capacity Summary

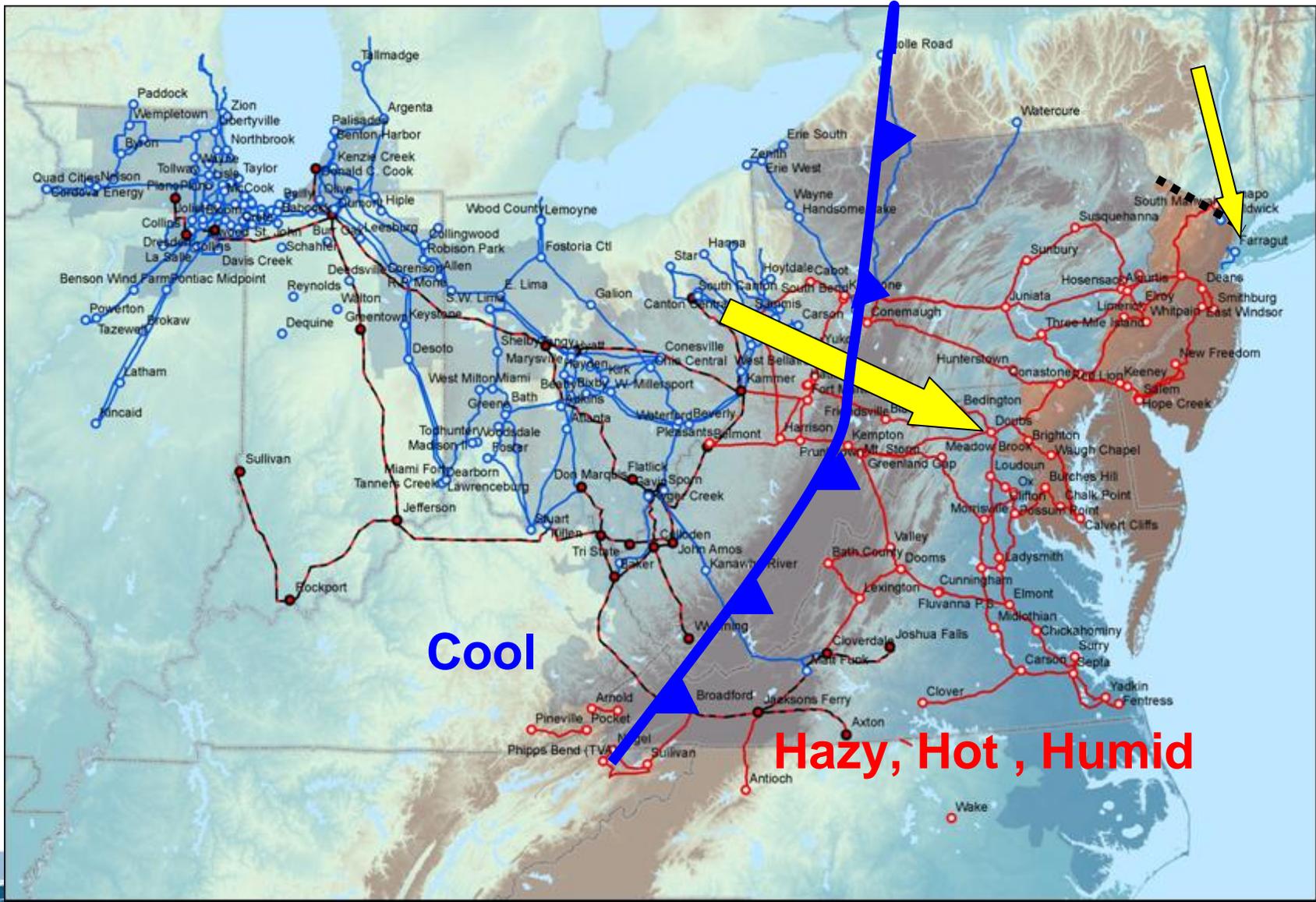
## 2006

Forecast Load (MW) total	Load Mgt and Contractually Interruptible (MW)	Forecast Load (MW) Less Load Mgmt & Contractually Interruptible	Installed Generation Capacity (MW)	Reserve Margin (MW)	Capacity Margin	Reserve Margin	Required Reserve Margin
133,500	2,061	131,439	164,994	33,553	20.3%	25.5%	15.0%

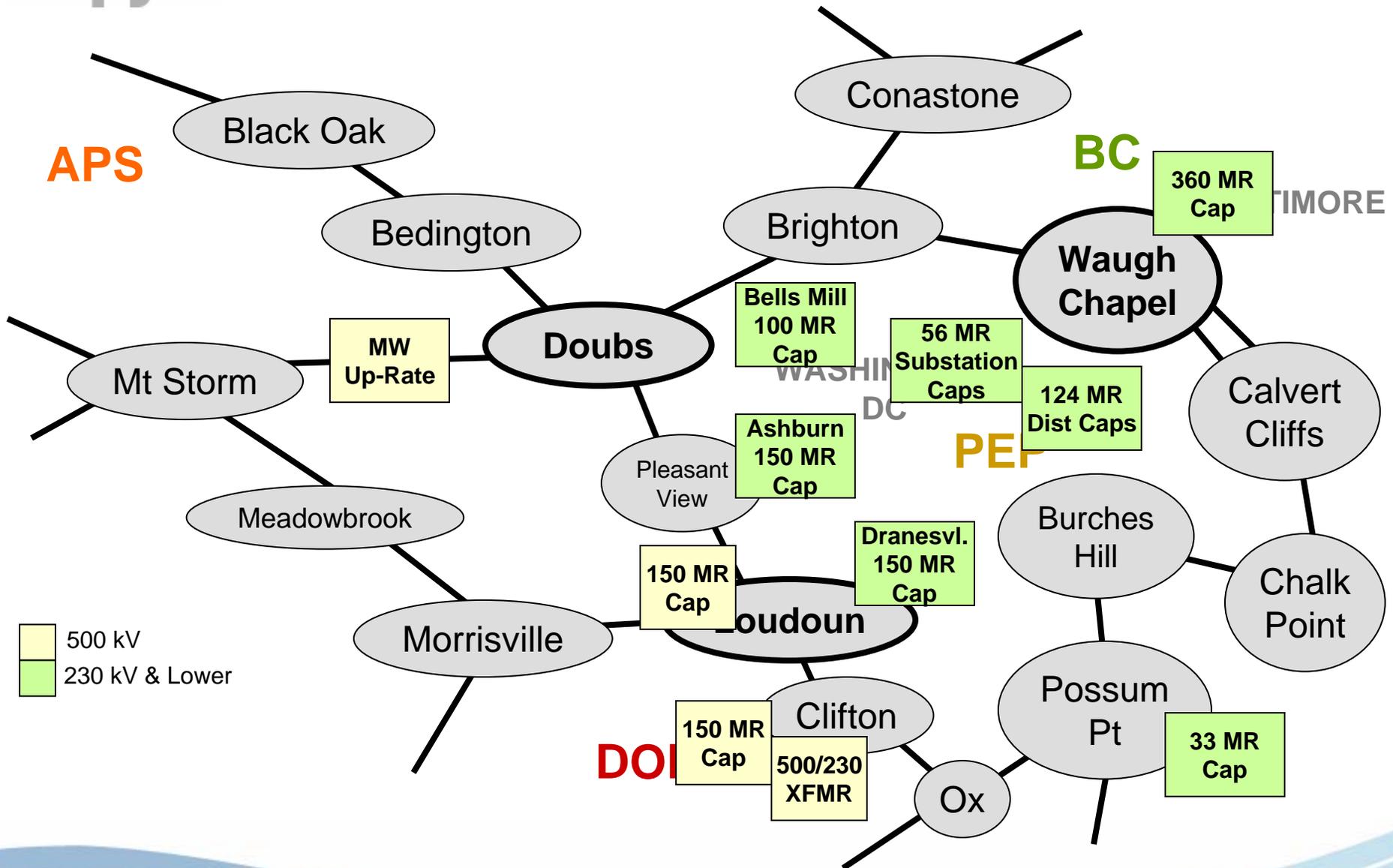
## 2005

Forecast Load (MW) total	Load Mgt and Contractually Interruptible (MW)	Forecast Load (MW) Less Load Mgmt & Contractually Interruptible	Installed Generation Capacity (MW)	Reserve Margin (MW)	Capacity Margin	Reserve Margin	Required Reserve Margin
132,983	1,653	131,330	165,640	34,310	20.7%	26.1%	15.0%

- On the day before (July 26), PJM set an all-time peak at 133,761 MW
- On July 27, load was coming in ahead of the all-time peak pace in eastern PJM due to extreme heat and humidity along the eastern seaboard
- A strong, frontal weather system was traversing the Midwest and due to provide relief to eastern PJM
- NYISO was experiencing voltage issues north of New York City and not able to support PJM as it had on the previous day
- PJM called for interruptible customers and demand response
- PJM called for a 5% voltage reduction in Baltimore, Washington, and northern Virginia area



- PJM System Planning, in conjunction with the members, analyzed the July 27 conditions and identified a number of upgrades to remedy the situation
- Upgrades currently being installed in BGE, PEPCO, and northern Dominion to strengthen voltage support and scheduled to be in service for the summer
- Alcoa smelter near Frederick, MD has been shut down



- PJM Operating Analysis Task Force (OATF) Summer Operating Study
- Reliability *First* Summer Assessment
- PJM Spring Operator Seminar (9 sessions – over 500 operators attended)
- PJM Emergency Procedures Drill (May 16)

- PJM expects to be able to reliably serve expected peak loads
- Eastern PJM system is stronger due to the installation of upgrades to increase import capability and additional generation should be in service
- Western PJM system continues to be strong, we do not anticipate any problems, and can export energy from the east, if necessary